



A&Z LAW FIRM

A&Z Monthly Newsletter

October 2019

Passion - Professionalism - Collaboration

Dear friends,

This is a monthly newsletter focusing on legal matters in China, and related issues that shape the general business environment for foreign companies operating in China.

Should you have any comments or questions, please do not hesitate to contact Ms. Mireia Paulo at mpaulo@a-zlf.com.cn, or visit [A&Z website](#).

Sincerely,
The Editors

Legal Updates

[China and Mauritius Sign Free Trade Agreement](#) [Read more](#)

Zhong Shan, Chinese Minister of Commerce, and Miao Kwong Lee Hon Chong, Ambassador of Mauritius to China, signed in Beijing on October 17, 2019, the Free Trade Agreement between the Government of the PRC and the Republic of Mauritius, on behalf of their respective governments.

The China-Mauritius FTA is the 17th FTA signed by China, and also the first with an African country. In the area of trade in goods, both countries will eventually achieve zero tariffs on 96.3% and 94.2% of product tariff items, involving 92.8% of import volume for both countries. For the remaining tariff items of Mauritius, the tariffs will also be cut, and the maximum tariffs for most of the involved products will not exceed 15%.

[PBOC and SAFE Issue Circular to Facilitate Investment in the Interbank Bond Market by Foreign Institutional Investors](#) [Read more](#)

The People's Bank of China and the SAFE released the Circular about Relevant Matters Concerning Further Improvement in the Investment in the Interbank Bond Market by Foreign Institutional Investors. It will be effective from November 15, 2019.

According to the circular, the same foreign institutional investor can make direct capital transfer between its QFII/RQFII custody account and direct investment account.

(1) The foreign institutional investor should file an application with QFII/RQFII domestic custodian bank to transfer capital in the QFII/RQFII custody account to its direct investment account; or file an application with the direct investment clearing agent to transfer capital in the direct investment account to its QFII/RQFII custody account.

(2) After the capital transfer is completed, subsequent transactions and fund remittances and exchanges should meet relevant management rules.

[China Expands Opening-up to Foreign Insurers and Banks](#) [Read more](#)

The State Council released on October 15, 2019, the Decision to Amend the Regulation of the PRC on Administration of Foreign-funded Insurance Companies and the Regulation of the PRC on the Administration of Foreign-funded Banks.

The Regulation on Administration of Foreign-funded Insurance Companies has loosened market access for foreign insurance firms, and scrapped the

A&Z Upcoming Events

19 November, Shanghai

A&Z law firm will host an event entitled "Development of Environmental Law and Regulatory Scheme in China: How Does It Affect Your Business?." The event will briefly review China's main environmental legal developments providing useful takeaway points. It brings together both foreign and Chinese companies that need to comply with Chinese environmental laws and regulations. Attorneys, scholars and industry experts will share legal updates, business cases, and promote professional collaborations via networking.



Register

A&Z Past Events

29 November, Tokyo



A&Z will conduct a legal seminar in Tokyo. Mr. Peter Zeng, Executive Director and Senior Partner at A&Z Law Firm, will

conditions that foreign insurance companies “must operate insurance business for at least 30 years” and “establish representative office in the territory of China for at least two years,” in order to be approved to set up foreign-funded insurance companies in China.

There are four primary revisions to the Regulation on the Administration of Foreign-funded Banks including, easing conditions for shareholders of foreign-funded banks and for foreign banks to set up branches in China, relaxing restrictions for foreign banks to establish corporate banks and branches, easing restrictions on foreign banking business, and adjusting regulatory requirements for foreign bank branches.

[China to Unveil New Negative List for Market Access and Enact Foreign Investment Law](#) [Read more](#)

The National Development and Reform Commission and the Ministry of Commerce will make further efforts to optimize the negative list, and push for easing market access restrictions in the service industry. The new edition of negative list for market access has been amended, and procedural approval is underway.

[Li Keqiang Signs Decree to Publish Regulation on Optimizing Business Environment](#) [Read more](#)

Premier Li Keqiang signed a decree to release the Regulation on Optimizing Business Environment. It will be effective from January 1, 2020.

The regulation stipulates that China equally protects all types of market entities, guarantees that all types of market entities use production factors and enjoy support policies on an equal basis, and safeguards market autonomy, property rights and other legitimate rights and interests. The regulation also makes provisions for reducing the time for the business opening, implementing tax and fee reduction policies, regulating business-related charges, addressing financing problems, and simplifying the process of enterprise cancellation.

[SAMR Announces Regulation on Trademark Application and Registration](#) [Read more](#)

The State Administration for Market Regulation released on October 16, 2019, the Regulation on Trademark Application and Registration, to be effective from December 1, 2019. According to the regulation, trademark agencies should act in the principle of honesty and credibility. Under any of the following circumstances, a trademark agency must not accept an applicant's request for trademark registration if it knows or it's supposed to know that

- (1) The trademark registration is a malicious attempt not for the purpose of use, as stipulated in the fourth article of the Trademark law;
- (2) It is stipulated in the 15th article of the trademark law;
- (3) It is stipulated in the 32nd article of the trademark law.

Industry News

[Closer Chinese, Japanese exchanges proposed](#)
China Daily, 28 October

[China adopts new cryptography law](#)
CGTN, 26 October

[China moves to 31 in global ranking of business climate](#)
China Daily, 26 October

[Broad prospects for China-EU internet cooperation as high technology empowers domestic firms' global strategies](#)
Global Times, 26 October

[Brexit Guide: Where are we now – and how did we get here?](#)
Euronews, 25 October

[Xi says China, Brazil cooperation embraces brighter future](#)
Global Times, 25 October

[China Says Part of Phase 1 Trade Deal Text 'Basically Completed'](#)
Bloomberg, 25 October

[China Carriers to Offer 5G for Public on Nov. 1, Beijing News Says](#)
Bloomberg, 25 October

explain the latest developments of China's economy, local labor and labor compliance relations. Mr. Zeng will provide advises on those matters that companies should look at. [Read more](#)

19 October, Seoul



Dr. Sophie An, Director and Principal Partner at A&Z Law Firm, attended the annual meeting of the Asian Competition Association in South Korea and delivered a speech on the topics of fair competition for business, anti-monopoly, as well as government and public interest.

17 October, Shanghai



Mr. Vincent Zhu, Senior Partner at A&Z Law Firm, was invited to speak about legal matters relating to the healthcare and pharmaceutical industry by the Japan Chamber of Commerce and Industry. Mr. Zhu tackled drug administration law and compliance problems regarding drug promotion. [Read more](#)

16 October, Shanghai



On October 16th, 2019, Ms. Xiuxiu Zhang, environmental attorney at A&Z Law Firm, held a course at Shanda University. It was addressed to undergraduate students from 2nd and 3rd grade. The lecture aimed to disseminate and generate awareness of a relatively new legal practice in China, environmental law. Ms. Zhang's addressed the topic by using case studies and applying to dynamic teaching methodologies. [Read more](#)

28 September, Madrid

ISDE, an economic legal training school driven by the law firms themselves operating in Spain and offering programs in both the undergraduate and postgraduate segments and A&Z Law Firm reached an agreement to train students in Chinese Law. This

[China amends minor protection law to include cyberspace](#)
Technode, 25 October

[China to further facilitate cross-border trade and investment](#)
Xinhuanet, 24 October

[Measures to improve business operating climate](#)
China Daily, 24 October

[China to always welcome foreign firms including U.S. ones to invest in China](#)
CCTV, 11 October

[China celebrates 70th anniversary as Xi warns 'no force can shake great nation'](#)
The Guardian, 1 October

[PayPal to enter China through GoPay acquisition](#)
Techcrunch, 1 October

About A&Z Law Firm

A&Z is a leading Chinese law firm, which employs over 50 experts composed of a team of professionals comprising attorneys, legal assistants, Japanese translators, client managers, and business specialists across 5 offices in 11 jurisdictions. Having been active in Shanghai since 2004, A&Z's presence was expanded through the establishment of offices in Beijing, Dalian, Wuhan, and Tokyo. A&Z focuses on advising multinational groups, major corporations, banks, and SMEs on various legal issues relevant to their business endeavors.

A&Z's practices include Foreign Investment, Overseas Investment, Competition and Antitrust, Intellectual Property, M&A and Corporate Restructuring, Labour and Social Security, Dispute Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

agreement will allow students of ISDE to conduct internships too: students will benefit from specialized commercial global training. [Read more](#)

26 September October, Madrid

Iustime, international law firm network, and A&Z signed a collaboration agreement. A&Z and Iustime representatives assessed the synergies of collaboration that exist for the internationalization of foreign companies in the Chinese market. Different strategies to be developed by both partners were established. [Read more](#)

The information contained in this Newsletter is for reference on matters of interest only, and is not intended to be comprehensive. Although we try to ensure accuracy, please note that the application and impact of laws can vary based on contextual and circumstantial variables. Before taking any action, please ensure that you obtain professional advice specific to your circumstances.

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